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Message Text

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53
ACTION EB-07

INFO OCT-01 AF-08 ISO-00 SP-02 USIA-06 AID-05 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 PA-01

PRS-01 L-03 FRB-03 ITC-01 AGR-05 CIAE-00 COME-00

INR-07 IO-13 LAB-04 NSAE-00 OIC-02 SIL-01 ARA-06

EA-07 EUR-12 NEA-10 /132 W
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R 181411Z MAY 76
FM AMEMBASSY KINSHASA
TO SECSTATE WASHDC 7961
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E.O. 11652: N/A
TAGS: UNCTAD, EGEN, CG
SUBJECT: ZAIRIAN VIEWS ON UNCTAD IV

BEGIN UNCLASSIFIED
1. FOLLOWING SUMMARIZES A COMMENTARY ON UNCTAD IV APPEARING MAY 14 ISSUE OF AGENCE ZAIRE PRESS (AZAP).

2. BEGIN SUMMARY: THE DELEGATES AT UNCTAD EMPHASIZED IN PARTICULAR THE PROBLEM OF PRIMARY PRODUCTS. FOREIGN MINISTER NGUZA LAID OUT THE DIMENSIONS OF THE PROBLEMS AS DID SECRETARY OF STATE KISSINGER, WHOSE PROPOSALS MERIT PROFOUND ATTENTION AND STUDY.

3. THE PRICES OF RAW MATERIAL FALL OR FLUCTUATE IN PRICE WHILE THE PRICES OF THE CAPITAL GOODS IMPORTED BY RAW MATERIAL PRODUCERS RISE. UNREMUNERATIVE PRICES CAUSE PRODUCER COUNTRIES TO FALL INTO INDEBTEDNESS. NGUZA TOLD UNCTAD THAT FOR THIS REASON ZAIRE SUPPORTS EVERY INITIATIVE TO STABILIZE THE PURCHASING POWER OF OUR EXPORT RECEIPTS.

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4. UNCTAD SECRETARY GENERAL HAS PROPOSED A "NEW", "INTEGRATED"

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SYSTEM WITH THE OBJECTIVES OF (A) STABILIZATION OF THE PRICES OF PRIMARY PRODUCTS AT JUST AND REMUNERATIVE LEVELS, TAKING INTO ACCOUNT WORLD INFLATION, (B) THE STABILIZATION OF EXPORT RECEIPTS FROM PRIMARY PRODUCTS, (C) ACCESS TO PROTECTED MARKETS (WHICH IMPLIES THE PARTICIPATION OF PRODUCER COUNTRIES IN THE DETERMINATION OF PRICES), (D) SECURITY OF SUPPLY FOR IMPORTING COUNTRIES AND (E) THE EXPANSION OF RAW MATERIAL PROCESSING INDUSTRIES IN LDC'S.

5. THESE OBJECTIVES ARE TO BE ACHIEVED BY THE FOLLOWING TECHNIQUES:
(A) INTERNATIONAL STOCKS FOR A GAMUT OF PRODUCTS,
(B) A COMMON FUND TO FINANCE THESE STOCKS,
(C) INTRODUCTION OF IMPROVED MEANS OF PROVIDING COMPENSATORY FINANCING FOR FLUCTUATIONS OF THE PRICES AND RECEIPTS FOR EXPORT PRODUCTS,
(D) MULTILATERAL COMMERCIAL ENGAGEMENTS BETWEEN GOVERNMENTS AND
(E) SUPPRESSION OF COMMERCIAL BARRIERS AND ALL OTHER OBSTACLES TO THE EXPANSION OF THE PROCESSING OF RAW MATERIALS IN LDC'S.
THESE PROPOSITIONS WERE SUPPORTED BY MOST DELEGATES.

6. THE ZAIRIAN DELEGATION EMPHASIZED THE ESTABLISHMENT OF BUFFER STOCKS JOINTLY FINANCED BY PRODUCERS AND BUYERS TO DISCOURAGE SPECULATION.

7. ALTHOUGH THE OPERATING MECHANISMS OF THE INTERNATIONAL RESOURCE BANK PROPOSED BY SECRETARY OF STATE KISSINGER ARE STILL BEING STUDIED, THE BANK IS A STEP FORWARD. THE POSITIVE ELEMENT OF THE PROJECT RESTS IN THE FACT THAT PRODUCERS AND CONSUMERS ALIKE CAN MAKE SUBSCRIPTIONS.

8. THE STATEMENT OF PRESIDENT MARCOS, SPEAKING ON BEHALF OF THE GROUP OF 77, GENERATED LIVELY INTEREST. PRESIDENT MARCOS INSISTED THAT THE LDC'S COULDN'T DEPEND ON THE INDUSTRIALIZED COUNTRIES FOR THEIR PROSPERITY, SUGGESTED THE CREATION OF A CENTER FOR THE COORDINATION OF INTERNATIONAL COMMERCE AND APPROVED OF THE PROGRAM FOR THE STABILIZATION OF RAW MATERIALS.

9. THE SPIRIT OF COOPERATION, NEGOTIATION AND CONCILIATION WHICH ANIMATES ALL DELEGATIONS WILL BRING A POSITIVE RESULT. ALL
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DELEGATIONS WILL FIND COMMON GROUND OF UNDERSTANDING BECAUSE THE INTERNATIONAL COMMUNITY HAS UNDERSTOOD THAT THE SPIRIT OF CONFRONTATION, SUPPORTED BY EXCESSIVE EGOISM, ENLARGES AND MAINTAINS THE DIVISIONS BETWEEN PEOPLES AND HINDERS THE INSTITUTION OF JOINT AND RADICAL MEASURES IN THE FIELD OF ECONOMIC AND COMMERCIAL RELATIONS. END SUMMARY.

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10. WE FIND THIS STATEMENT OF ZAIRE'S POSITION TO BE CONCILIATORY AND RESPONSIVE TO USG POSITION. SPECIFIC PRAISE FOR PROPOSALS OF SECRETARY KISSINGER CONTRASTS WITH LESS COMMITTED PRESENTATION OF PROPOSALS OF UNCTAD SECRETARY GENERAL AND VIEWS OF PRESIDENT MARCOS. MORE IMPORTANTLY, STATEMENT STRONGLY EMPHASIZES NEED FOR COOPERATIVE APPROACH AND SUGGESTS THAT CONFRONTATIONAL TACTICS TO BE AVOIDED.
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